

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

BRUCE GARELICK,

Defendant.

SUPERSEDING INDICTMENT

S1 23 Cr. 307 (LJL)

COUNT ONE
(Conspiracy to Commit Securities Fraud)

The Grand Jury charges:

1. From at least in or about June 2021 up to and including at least in or about November 2021, in the Southern District of New York and elsewhere, BRUCE GARELICK, the defendant, and others known and unknown, willfully and knowingly, did combine, conspire, confederate, and agree together and with each other to commit an offense against the United States, to wit, (i) securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5; and (ii) securities fraud, in violation of Title 18, United States Code, Section 1348.

2. It was a part and object of the conspiracy that BRUCE GARELICK, the defendant, and others known and unknown, willfully and knowingly, directly and indirectly, by use of a means and instrumentality of interstate commerce and of the mails, and a facility of a national securities exchange, would and did use and employ, in connection with the purchase and sale of a security, a manipulative and deceptive device and contrivance, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing a device, scheme, and artifice to defraud; (b) making an untrue statement of a material fact and omitting to state a material fact necessary in

order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in an act, practice, and courses of business which operated and would operate as a fraud and deceit on a person, in violation of Title 15, United States Code, Section 78j(b) and 78ff.

3. It was further a part and object of the conspiracy that BRUCE GARELICK, the defendant, and others known and unknown, would and did knowingly execute, and attempt to execute, a scheme and artifice to (a) defraud a person in connection with a security of an issuer with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 and that was required to file reports under Section 15(d) of the Securities Exchange Act of 1934, and (b) obtain, by means of false and fraudulent pretenses, representations, and promises, money and property in connection with the purchase and sale of a security of an issuer with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 and that was required to file reports under Section 15(d) of the Securities Exchange Act of 1934, in violation of Title 18, United States Code, Section 1348.

Overt Acts

4. In furtherance of the conspiracy and to effect its illegal objects, BRUCE GARELICK, the defendant, committed and caused to be committed the following overt acts, among others, in the Southern District of New York and elsewhere: on multiple occasions, the defendant traded or caused others to trade in DWAC securities that were listed on the Nasdaq exchange with counterparties located in New York, New York.

(Title 18, United States Code, Section 371.)

COUNTS TWO THROUGH FOUR
(Securities Fraud)

The Grand Jury further charges:

5. On the dates set forth below, in the Southern District of New York and elsewhere, BRUCE GARELICK, the defendant, willfully and knowingly, directly and indirectly, by the use of a means and instrumentality of interstate commerce and of the mails, and a facility of a national securities exchange, used and employed, in connection with the purchase and sale of a security, a manipulative and deceptive device and contrivance, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing a device, scheme, and artifice to defraud; (b) making an untrue statement of a material fact and omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in an act, practice, and course of business which operated and would operate as a fraud and deceit on a person, to wit, while in possession of material non-public information to which he had been entrusted, and in violation of his duties of trust and confidence, used the material non-public information to execute and cause and assist others to execute the securities transactions listed below on or about the dates listed below:

Count	Trade Date(s)	Transactions
2	September 3 - 23, 2021	Purchase of 4,020 units of DWAC by BRUCE GARELICK
3	September 30 – October 5, 2021	Purchase of 2,000,000 warrants of DWAC by MICHAEL SHVARTSMAN
4	September 13 – October 20, 2021	Purchase of 500 units and 11,300 warrants of DWAC by Michael Shvartsman's business associate

(Title 15, United States Code, Sections 78j(b) & 78ff;
Title 17, Code of Federal Regulations, Section 240.10b-5; and
Title 18, United States Code, Section 2)

COUNT FIVE
(Securities Fraud)

The Grand Jury further charges:

6. From at least in or about June 2021 through at least in or about November 2021, in the Southern District of New York and elsewhere, BRUCE GARELICK, the defendant, knowingly executed, and attempted to execute, a scheme and artifice to (a) defraud a person in connection with a security of an issuer with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 and that was required to file reports under Section 15(d) of the Securities Exchange Act of 1934, and (b) obtain, by means of false and fraudulent pretenses, representations, and promises, money and property in connection with the purchase and sale of a security of an issuer with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 and that was required to file reports under Section 15(d) of the Securities Exchange Act of 1934, to wit, the defendant executed a scheme to defraud Digital World Acquisitions Corporation (“DWAC”) and Benessere by misappropriating material non-public information for the purpose of executing securities transactions in DWAC.

(Title 18, United States Code, Sections 1348 and 2.)